

July 16, 2004

MEMORANDUM

TO: Purchasing Offices
Departments, Institutions, Agencies
Commonwealth of Virginia

FROM: Ron Bell
Director

SUBJECT: Procurement Information Memoranda (PIM) #98-016

Enclosed is PIM #98-016, effective 7/16/04, representing changes to the September 1998 edition of the *Agency Procurement and Surplus Property Manual (APSPM)*. The changes are noted in the table below. All changes to the *APSPM*, including PIM #98-016, are incorporated into a web-based *APSPM*, which is downloadable from the eVA and Division of Purchases and Supply web sites at www.eva.state.va.us and www.dgs.state.va.us/dps, respectively. The location of text changes is indicated by an arrow in the margin (—) with the corresponding PIM number identified next to the changes.

Appendix C contains a log in which to list the PIM number and date of revision. This letter and the corresponding PIM #98-016 should be filed in the back of the Appendix C log.

	Summary of Changes
Table of Contents	The Table of Contents is updated to indicate new sections added to the <i>APSPM</i> . Download the Table of Contents and Index from the eVA website under Manuals, <i>APSPM</i> .
1.4 c.	Bulk purchases of commodities used in road and highway construction and maintenance, and aggregates shall not be made by online public auctions.
1.5 c.	An exception to competitive requirements is expanded to allow used equipment purchases from online auctions.
2.1 c. (2)	The Code cite under DBVI Business Enterprises is corrected to show, <i>Code of Virginia</i> § 51.5-89.
3.7	The section on cooperative procurement is rewritten to include the prohibition and authorized use of GSA contracts and other cooperative contracts. It provides a link to the authorized entities and authorized contracts under the federal 1122 Law Enforcement Program.
4.12	The Award Documents section was revised to delete the fourth sentence and revised the first sentence to indicate that written contracts are required in accordance with the provisions of Chapter 14.

4.20 e.	The first paragraph in the section on official state stationery, letterheads and envelopes was corrected to show that standardization of official state stationery was established in November 1974 by Executive Memoranda. The use of white paper for letterheads and envelopes applies to all state agencies and institutions including higher education.
4.33	Deleted. The use of federal GSA contracts and GSA contract pricing is moved to 3.7, Cooperative Procurement.
5.7	The section on Unsealed Proposals was renumbered as a. and new section b. is added.
5.7 b.	A new section is added as 5.7 b. on Unsealed Best Value Acquisition.
7.5	Best Value Acquisition (BVA) is introduced in new section 7.5 in the chapter on Competitive Negotiation.
Annex 7-F	A new Annex 7-F is included on Best Value Criteria, Evaluation Methods & Scoring. It includes examples of Subjective/Objective Criteria, definitions of Risk and Incentives, sample rating methods, and a sample evaluation sheet.
8.6	The first sentence was revised to indicate that an award document must be issued for sole source purchases in accordance with the provisions of Chapter 14.
11.2 c.(2)	The last line of 11.2 c (2) pertaining to an appeal of a determination of nonresponsibility is corrected to add the words, "and the award of the contract has been made."
11.4	A new section on Alternative Dispute Resolution (ADR) is added as 11.4 and contains procedures to encourage the resolution of issues in controversy or contractual disputes.
12.7 e. (4)	The beginning of the first sentence to the comma in 12.7 e (4) is deleted, since no dollar limit now applies for donations of surplus computer equipment to Virginia public schools.
Chapter 14	PIM 98-016, 7-1-04 replaces Chapter 14 in its entirety. Changes or section deletions are shown by an arrow in the margin. Chapter 14 is included as an attachment to this PIM. A brief summary is shown below:
14	All purchase transactions shall be processed through eVA to eVA registered vendors unless excluded.
14.4 & 14.5	eMall shopping may be used up to the single quote limit, \$5,000.
14.5 b.	Deleted the section on eMall Search Responses over \$5,000 to \$15,000.
14.5 c.	Deleted the section on eMall Search Responses over \$15,000 to \$30,000.
14.5 d.	eMall Search Responses are valid as quotes only up to \$5,000.
14.5 e.	Solicitation of bids or quotes via Quick Quote is mandatory for non-contract requirements between \$5,000 and \$15,000. The section has been modified to provide guidance on receiving other than electronic responses to a Quick Quote solicitation.
14.5 f.	Solicitation of bids or quotes via Quick Quote is mandatory for non-contract requirements between \$15,000 and \$30,000.
14.8 a.	Corrected the sole source dollar threshold to show \$50,000 for requirements that may need prior approval.
14.8 c., d., e.	The user should refer to VITA Guidelines concerning prior approvals for IT equipment, telecommunications, and services.
14.9 a.	Requires all purchase transactions to be processed through eVA to eVA registered vendors unless excluded in 14.9 b. Requires ERP orders to include the standard eVA order term and condition.
14.9 b.	New PO categories are added to allow technology-related purchases to be routed to VITA.

14.9 b. 3.	The exclusion for training, previously in 14.9 b. 4, is included in the Professional organizational membership dues exclusion, and clarifies that the exclusion applies when classes are sponsored by professional organizations and payment is made directly to the professional organization sponsoring the training class.
14.9 b. 4.	Conference Registration exclusion is clarified; the word “training” is removed.
14.9 b. 6.	Honoraria are a stand-alone exclusion. Entertainment is moved to exclusion 7.
14.9 b. 7.	The exclusion for Entertainment only applies to speakers, lecturers, musicians, and performing artists.
14.9 b. 10.	Goods or personal services for direct use by recipients exemption adds the words “and/or spot purchases” concerning procurement of bulk goods or services.
14.9 b. 11.	The exclusion for grants awarded by agencies and institutions to public bodies or tax exempt non-profit charitable organizations is further clarified.
14.9 b. 12.	The exclusion for Medical Services procurements is further clarified. Contracts between the entity and individual medical services licensed individuals are exempt from purchasing through eVA; this includes groups of Doctors. Contracts between the entity and temporary service providers are not exempt.
14.9 b. 13.	The exclusion for Utilities clarifies that the exclusion includes electric, natural gas, water, and sewer services.
14.9 b. 14.	The closed-loop system or automated inventory control system exclusion is clarified.
14.9 b. 15.	An exclusion is added for purchases using the DPS-authorized multi-state drug contract.
14.9 b. 16.	An exclusion is added for purchases made using the DPS contract for Express Delivery Services.
14.9 b. 17.	The exclusion for use of the charge card at the site of the sale by the individual card holder is reworded. This does not include charge card purchases via the Internet.
14.9 b. 19.	Previous #16 & #17 exclusions concerning government-to-government purchases were combined and the new exemption shows as #19.
14.9 b. 25.	An exclusion is added for business and/or financial transactions to which public procurement regulations do not apply.
14.11	A new section is added as 14.11 on Orders To Vendors Not Registered In eVA and Related Fees.
14.12	A new section is added as 14.12 Self-Certification and Fees For Non-Compliant Purchase Transactions
Annex 14-A	The Standard eVA Term and Condition is added as Annex 14-A.
Annex 14-B	An annotated print version of the eVA Dashboard Agency Self-Certification and Reporting Form for FY 05 eVA Usage Report is added as Annex 14-B.
Appendix A	Best Value Acquisition is added to definitions.
Appendix B, Section I, B.	The Applicable Laws and Courts provision is modified to introduce Alternative Dispute Resolution (ADR) procedures as a method to encourage the resolution of issues in controversy or contractual disputes.
Appendix B, Section I, K.	The Precedence of Terms clause is reworded to allow its use for eVA’s e-procurement tool. It deletes reference to paragraphs A-J of the General Terms and lists those applicable terms within the clause.
Appendix B, Section I, T.	The Insurance clause is modified. New guidance on the minimum insurance coverage and limits required for most contracts is provided.
Appendix B, Section II, H.	A new Award clause is added for Unsealed Best Value Awards in 7. H.
Appendix B, Section II, I.	A new Award clause is added for Best Value Acquisition Awards in 7. I.

Appendix C	Appendix C has been updated to incorporate all PIMs released to date, including the subject and effective date of the change.
Index	The Index is updated to reflect new topics added to the <i>APSPM</i> . Download the Index and Table of Contents from the eVA website under Manuals, <i>APSPM</i> .

To print a hard copy of the manual, save the Chapters and Appendices to your hard drive or network and print from there. Printing directly from the website will result in lost formatting. Use the “whole *APSPM*” for text searches. If you should have questions about the changes, please contact Nancy M. Davis at 804-786-0323 or ndavis@dgs.state.va.us.

Changes to the *APSPM*:

- 1.4 c **DGS/DPS has delegated the authority to agencies and institutions to make bulk purchases of the following listed commodities.** Under \$50,000 use small purchase procedures (see Chapter 5); over \$50,000 use the applicable method of procurement. However, bulk purchases of commodities used in road and highway construction and maintenance, and aggregates shall not be made by online public auctions (§ 2.2-4303.1).
- 1.5 c Purchases of used equipment up to and including \$50,000 (see 4.17). This also includes used equipment purchased at a public or online auction, if determined in writing that the purchase would be in the best interest of the public.
- 2.1 c (2) DBVI Business Enterprises. When any vending stand or other business enterprise operated in a public building becomes vacant or a vacancy is created through the construction or acquisition of new public buildings or renovation or expansion of existing public buildings, the existence of such vacancies shall be made known to the Department for the Blind and Vision Impaired at 804-371-3103 or by E-mail to kenneddh@dbvi.state.va.us. The DBVI acting on behalf of the blind shall have first priority in assuming the operation of such vending stand or other business enterprise through the placement of a properly trained blind person in such vacancy (*Code of Virginia* § 51.5-89).
- 3.7 **Cooperative Procurement.** The *Code of Virginia*, § 2.2-4304 authorizes public bodies to utilize cooperative procurement to satisfy requirements for goods and non-professional services; however, state agencies and institutions must comply with the following requirements, and all such purchases shall be made through eVA. Additional agencies and institutions not specifically named in the solicitation desiring to purchase from another public body's contract may do so if the original solicitation specified that the procurement was being conducted on behalf of other public bodies and the issuing public body modifies the contract in writing with concurrence from the contractor to add the specific agency or institution.
- a. **Sponsoring a Cooperative Procurement:** No state agency or institution may sponsor, conduct or administer a cooperative procurement arrangement when the total value of the contract is expected to exceed their delegated purchasing authority without advance approval from the Director of the Division of Purchases and Supply. An agency or institution initiating a procurement and desiring to allow its use by other public bodies must include the ADDITIONAL USERS clause found at Appendix B, Section II, and shall serve as the lead agency (contracts manager) and shall administer the program in accordance with Chapter 10 of this manual. Vendor complaints and disputes will be managed by the ordering entity, but the lead agency should be provided copies of any such complaints or disputes.
- b. **Use of Other Cooperative Contracts:** Agencies and institutions desiring to participate in a cooperative procurement arrangement for non-telecommunications and non-technology goods and nonprofessional services as set forth in §2.2-4304 may do so without regard to their delegated purchasing authority. *APSPM* General Terms and Conditions shall apply.
- General Services Administration (GSA) or other U.S. Government Contracts:** Except as authorized by the United States Congress and consistent with applicable federal regulations, the direct placement of an order against a federal GSA contract is not permissible. The United States Congress has authorized use of certain contracts by specific entities under the 1122 Program. Information on contracts and entities authorized to use those contracts is available from the State Police website, www.vsp.state.va.us. Click on "More" then scroll to Law Enforcement Procurement Program. For additional information, contact the 1122 Program Manager, at 804-674-2009. The requirement to modify the original contract to add additional specific agencies or institutions to the contract does not apply to any contract awarded by the U.S. General Services Administration (GSA) or any other agency of the U.S. government that has been authorized for use by the U.S. Congress.
- 4.12 **Award Documents.** DGS/DPS requires written contracts to be issued in accordance with the provisions of Chapter 14. Every procurement transaction (except those made through the Small Purchase Charge Card Program) should originate from a requisition containing, among other information, budget details and the necessary approval authority. Agency Purchase Orders (APOs) must be prepared and given to suppliers who request a copy, regardless of dollar value. Award documents used by an agency will vary according to the method of solicitation. The award shall include or incorporate by reference the specifications, descriptions or scope of work, general conditions, special conditions and all other requirements contained in the solicitation (Invitation for Bids or Request for

Proposal), together with all written modifications and the bid or proposal submitted by the contractor. The award document is to be signed and issued by an authorized official of the agency. Listed below are the types and conditions under which they are to be used.

- 4.20 e. **Official State Stationery, Letterheads, and Envelopes.** Standardization of "Official State Stationery" was established in November, 1974, by Executive Memoranda to the heads of all state agencies and institutions. This included a standard format for letterheads. Institutions of higher education are exempt, as they are permitted to continue the use of their present seal and design. All other agencies and institutions must use the standard state blue ink (reflex blue) for both letterheads and envelopes. All agencies and institutions are restricted to the following white paper usage for letterheads and envelopes:

4.33 **General Services Administration (GSA) Contract Pricing.** Deleted. See 3.7, Cooperative Procurement.

- 5.7 a. **Unsealed Proposals** (Over \$15,000 to \$50,000).
Agencies and institutions may obtain required goods or services using an informal Request for Proposals (see flowchart, Annex 5-F). A written determination for the use of competitive negotiation is not required for unsealed or informal RFPs. The solicitation should include a cover sheet, a general description of what is being sought, the factors and weights to be used in evaluation, the Commonwealth's General Terms and Conditions (either in full or by reference), and any special terms and conditions including unique capabilities or qualifications that will be required.
1. Solicit eight (8) valid sources, including a minimum of six (6) SWAM businesses, if available, by mail, fax, or electronically, and publicly post a copy of the solicitation [see 3.10c (2)] over \$30,000 on the DGS/DPS eVA web site.
 2. *VBO* advertising is optional, but encouraged up to \$30,000. *VBO* advertising is required over \$30,000. See 3.18.
 3. Offers may be opened and evaluated upon receipt. All responses must be received at the designated location by the date and hour stated in the solicitation [see 3.10c (2)].
 4. In lieu of an evaluation committee, the buyer or end user may solely evaluate and rank offers. Upon completion of the evaluation, negotiations shall be conducted with the offerors selected and an award made.
- b. **Unsealed Best Value Acquisition** (Over \$15,000 to \$50,000).
Agencies and institutions may obtain required goods or nonprofessional services using best value concepts. A written determination for the use of competitive negotiation is not required for unsealed Best Value Acquisition.
1. **Procurement Planning.** A purpose statement must include that the solicitation is using best value procurement procedures. Describe Statement of Needs in general terms. Mandatory requirements are stated. Include Subjective/Objective evaluation criteria (see Annex 7-F for sample subjective/objective evaluation criteria). If making multiple awards, the total sum of all awards shall not exceed \$50,000.
 2. **Pre-proposal Conference/Site Visit.** A pre-proposal conference or a site visit may be held if necessary. Seek information from vendors concerning criteria.
 3. **Evaluation Criteria.** Criteria shall be stated in the solicitation. Unless otherwise stated, each criterion will be of the same importance. If criteria are not of the same importance, then include a statement at the end of the paragraph such as: Criteria are listed in the order of importance. Examples of criteria may be Technical Approach, Qualifications of Personnel, Resource Commitment, Past Performance, Risk and Incentives.
 4. **General and Special Terms & Conditions.** Add General and Special Terms and Conditions to the solicitation or incorporate them by reference. The Announcement of Award clause must be included in the solicitation.

5. Select Rating and Scoring Method. Listed below are methods that can be used to score and evaluate proposals. Any method is acceptable.
 - 1) Adjectival
 - 2) Color
 - 3) Numerical

See Annex 7-F for examples of each rating and scoring method.

6. Pricing Schedule/Scenario. Include how proposal prices are to be submitted. If lump sum pricing is not advantageous, use a pricing scenario to obtain prices for unknown quantities or hours. The pricing schedule should be tied to deliverables and must coincide with the method of payment stipulated in the solicitation.
7. Attachments. An attachment such as a Contractor Data Sheet may be used.
8. Solicit eight (8) valid sources, including a minimum of six (6) SWAM businesses, if available, by mail, fax or electronically, and publicly post a copy of the solicitation over \$30,000 on the DGS/DPS eVA web site www.eva.state.va.us. If fewer than the required number of sources are solicited, the procurement file must contain a statement as to the efforts made to obtain the required number of sources. VBO advertising on eVA is optional, but encouraged up to \$30,000. VBO advertising is required over \$30,000.
9. Receipt. Unsealed Best Value proposals may be received by FaxBack, electronically, hand-delivery or mail. Receive proposals until the due date and time specified in the solicitation. Proposals may be opened and evaluated upon receipt. In lieu of an evaluation committee, the buyer or end user may solely evaluate and rank offers.
10. Evaluation and Negotiation. Use a Go/No-Go approach and eliminate those proposals that do not meet mandatory requirements. Evaluate vendor performance to determine responsibility. Check debarment records on the DPS eVA web-site, www.eva.state.va.us. Evaluation criteria, other than price, are evaluated first. After rating the technical proposals, pricing is then considered. Consider the overall benefits and costs to the agency. A sample evaluation sheet is provided in Annex 7-F. Points to be negotiated may be selected. Negotiations may be conducted with the offeror(s) deemed to be fully qualified and offering the best value proposal(s). Document results of any negotiations in the procurement file.
11. Award. The award will be made to the responsible Offeror(s) whose proposal, conforming to the solicitation, is the most advantageous and represents the Best Value to the Commonwealth, costs and other factors considered. Prepare a written justification and place in contract file. Post a Notice of Award or Notice of Intent to Award in the manner prescribed in the solicitation as required in 3.18.

7.5 **Best Value Acquisition (over \$50,000).** The *Virginia Public Procurement Act (VPPA)* allows public bodies to consider best value concepts when procuring goods and nonprofessional services, but not construction or professional services. The criteria, factors, and basis for consideration of best value and the process for the consideration of best value shall be as stated in the procurement solicitation (*Code of Virginia, § 2.2 -4300 C*).

- a. Agencies and institutions may obtain required goods or nonprofessional services using best value concepts. A written determination for the use of Best Value Acquisition (BVA) is required when using Best Value Acquisition under Competitive Negotiation.
- b. Procurement Planning. A purpose statement must include that the solicitation is using best value procurement procedures. Describe Statement of Needs in general terms. Mandatory requirements are stated. Include Subjective/Objective evaluation criteria (see Annex 7-F for sample subjective/objective evaluation criteria).
- c. Pre-proposal Conference/Site Visit. A pre-proposal conference or a site visit may be held if necessary. Seek information from vendors concerning criteria. See 7.2 h. for further guidance.
- d. Evaluation Criteria. Criteria shall be stated in the solicitation. Unless otherwise stated, each criterion will be of the same importance. If criteria are not of the same importance, then include a statement at the end of the paragraph such as: Criteria are listed in the order of importance. Examples of criteria may be Technical Approach, Qualifications of Personnel, Resource Commitment, Past Performance, Risk and Incentives.

- e. General and Special Terms & Conditions. Add General and Special Terms and Conditions to the solicitation or incorporate them by reference. The Announcement of Award clause must be included in the solicitation. See Section II, Special Terms and Conditions for Award Clause, 7-I.
- f. Select Rating and Scoring Method. Listed below are methods that can be used to score and evaluate proposals. Any method is acceptable.
 - 1) Adjectival
 - 2) Color
 - 3) Numerical

See Annex 7-F for examples of each rating and scoring method.

- g. Pricing Schedule/Scenario. Include how proposal prices are to be submitted. If lump sum pricing is not advantageous, use a pricing scenario to obtain prices for unknown quantities or hours. The pricing schedule should be tied to deliverables and must coincide with the method of payment stipulated in the solicitation.
- h. Attachments. An attachment such as a Contractor Data Sheet may be used.
- i. Solicit nine (9) valid sources, including a minimum of seven (7) SWAM businesses, if available, by mail, fax or electronically, and publicly post a copy of the solicitation on the DGS/DPS eVA web site www.eva.state.va.us. If fewer than the required number of sources are solicited, the procurement file must contain a statement as to the efforts made to obtain the required number of sources. VBO advertising is required. In addition to advertising in the VBO, BVAs over \$50,000 shall be advertised in a newspaper of general circulation in the area in which the contract is to be performed.
- j. Receipt. Best Value proposals must be received by the due date and time specified in the solicitation. Public openings of proposals are not required. If a public opening is held, the names of the individuals, or the names of firms submitting proposals in a timely manner, is the only information read aloud and made available to the offerors and general public (see 3.1e for further guidance on the receipt and opening of proposals).
- k. Evaluation. Use a Go/No-Go approach and eliminate those proposals that do not meet mandatory requirements. Evaluate vendor performance to determine responsibility. Check debarment records on the DPS eVA web-site, www.eva.state.va.us. Evaluation criteria, other than price, are evaluated first. After rating the technical proposals, pricing is then considered. Consider the overall benefits and costs to the agency. A sample evaluation sheet is provided in Annex 7-F. During the evaluation phase it may be determined that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration. A written determination shall be prepared and retained in the contract file to document the facts supporting the decision for selecting only one offeror and negotiating with that offeror.
- l. Negotiation. Select points to be negotiated. Negotiations shall be conducted with two or more offerors deemed to be fully qualified and best suited among those submitting proposals, except as provided in 7.5 k. Document the results of negotiation in the procurement file.
- m. Award. The award will be made to the responsible Offeror(s) whose proposal, conforming to the solicitation, is the most advantageous and represents the Best Value to the Commonwealth, costs and other factors considered. Prepare a written justification and place in contract file. Post a Notice of Award or Notice of Intent to Award in the manner prescribed in the solicitation as required in 3.18.

Annex 7 -F
Best Value Criteria, Evaluation Methods & Scoring

Examples of Subjective/Objective Criteria:

Objective	Subjective
Certification/Qualifications	Appearance
Compatibility	Durability
Total Ownership Costs	Experience
E-Commerce	Facilities
Environmental Impact	Value
Material	Staff Qualifications
Performance	Past Performance
Resources	Technical Approach
Size	Testing
Response Time	Quality Assurance
Past Performance	User Friendly
Warranty	* Incentives
* Risk (High, Medium, Low)	* Risk (High, Medium, Low)

* Definitions below.

Definition of Risk:

- High** – Offeror’s proposal approach is likely to cause significant disruption of schedule, increase in cost or degradation of performance and will require a high level of contractor emphasis and government monitoring to overcome difficulties.
- Medium** – Offeror’s proposal approach is likely to cause a moderate disruption of schedule, increase in cost, or degradation of performance and will require a medium level of contractor emphasis and government monitoring to overcome difficulties.
- Low** – Offeror’s proposal approach is likely to cause minimal or no disruption of schedule, increase in cost, or degradation of performance and will require a low level of contractor emphasis and government monitoring to overcome difficulties.

Definition of Incentives: Incentives are designed to motivate vendors to surpass specific requirements of the solicitation while discouraging inefficiency and waste. The offerors proposal should include additional benefits or rewards to the entity to encourage acceptance of their proposal. (Examples of incentives may include additional warranties, rebates or royalties, gifts-in-kind, recycling services, training, and advertising.)

Examples of Best Value Rating Methods:

1) **Adjectival** – Adjectives such as exceptional, acceptable, marginal, and unacceptable are used to indicate the degree to which the proposals have met the evaluation criteria.

Adjectival Rating Method (Example)

Rating	Description
Exceptional	Proposal exceeds requirements and demonstrates an exceptional understanding of goals and objectives of the procurement. One or more major strengths exist. No significant weaknesses exist.
Acceptable	Offeror’s proposal demonstrates an acceptable understanding of goals and objectives of the procurement. There may be strengths and weaknesses, however strengths outweigh the weaknesses.
Marginal	Offeror’s proposal demonstrates a fair understanding of the goals and objectives of the procurement. Weaknesses have been found that out balance any strengths that exists. Weaknesses will be difficult to correct.
Unacceptable	Offeror’s proposal fails to meet an understanding of the goals and objectives of the procurement. The proposal has one or more significant weaknesses that will be very difficult to correct or are not correctable.

2) **Color Rating Method** - Use colors such as Blue, Green, Yellow or Red to indicate the degree to which the proposals have met the evaluation criteria.

Color Rating Method (Example)

Color	Description
Blue	Offeror's proposal exceeds requirements and demonstrates an exceptional understanding of goals and objectives of the procurement. One or more major strengths exist. No significant weaknesses exist.
Green	Offeror's proposal demonstrates an acceptable understanding of goals and objectives of the procurement. There may be strengths and weaknesses. Strengths outnumber any weaknesses that exist.
Yellow	Offeror's proposal demonstrates a fair understanding of the goals and objectives of the procurement. Weaknesses have been found that outnumber any strengths that exist. Weaknesses will be difficult to correct.
Red	Offeror's proposal demonstrates an unacceptable understanding of the goals and objectives of the procurement. The proposal has one or more significant weaknesses that will be very difficult to correct or are not correctable.

3) **Numerical Rating Method** - Apply a numerical weight to each criteria. Choose a point value and assign each criteria a percentage of the total points (price is not scored).

Numerical Rating Method (Example)

Range	Description
91 – 100	Offeror's proposal exceeds requirements and demonstrates an exceptional understanding of goals and objectives of the procurement. One or more major strengths exist. No significant weaknesses exist.
75 – 90	Offeror's proposal demonstrates an acceptable understanding of goals and objectives of the procurement. There may be strengths and weaknesses. Strengths outnumber any weaknesses that exist.
55 – 74	Offeror's proposal demonstrates a fair understanding of the goals and objectives of the procurement. Weaknesses have been found that outnumber any strengths that exist. Weaknesses will be difficult to correct.
< 55	Offeror's proposal demonstrates an unacceptable understanding of the goals and objectives of the procurement. The proposal has one or more significant weaknesses that will be very difficult to correct or are not correctable.

Evaluation Sheet (Example Only)

EVALUATION CRITERIA	Vendor 1	Vendor 2	Vendor 3	Vendor 4
Technical/Management				
1. Technical & Organizational Approach				
2. Qualifications of Personnel				
3. Resource Commitment				
4. Past Performance				
Overall Proposal Rating				
Overall Cost to Agency				
Overall Best Value Selection				

- 8.6 **Award Document** Agencies must issue an award document (PO or contract) for sole source purchases in accordance with the provisions of Chapter 14, and post a notice of award for requirements over \$30,000. When a quote has been obtained from the vendor and no further negotiations are needed, a purchase order is acceptable. When complicated negotiations have been involved, it may be in the agency's best interest to use the Commonwealth of Virginia Standard Contract form found in Annex 8-D.

11.2 c (2)

If, upon appeal pursuant to the *Code of Virginia*, § 2.2-4364 or § 2.2-4365, it is determined that the decision of the public body was not an honest exercise of discretion, but rather was arbitrary or capricious or not in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation for Bids, and the award of the contract in question has not been made, the sole relief shall be a finding that the bidder is a responsible bidder for the contract in question. If it is determined that the decision of the public body was not an honest exercise of discretion, but rather was arbitrary or capricious or not in accordance with the Constitution of Virginia, applicable state law or regulation, or the terms or conditions of the Invitation for Bids, and the award of the contract has been made, the relief shall be as set forth in § 2.2-4360B of the *Code of Virginia*.

11.4 **Alternative Dispute Resolution (ADR)**

- a. Alternative Dispute Resolution is designed to increase the opportunity for relatively inexpensive and expeditious resolution of issues in controversy. If an agency decision is challenged, the vendor and the agency are encouraged to resolve the issue through the informal means described below. However, participating in the ADR process does not relieve the bidder, offeror, or contractor from complying with the filing deadlines for the remedies listed in this chapter.
- b. The vendor requesting ADR shall give written notice to the agency purchasing office describing the nature of the issue and identifying the vendor's representative authorized to participate in ADR on its behalf. If the agency agrees to ADR, the agency shall appoint a senior management representative not directly involved in the procurement or who would not devote substantially all of his or her time to performance under any subsequent contract. The representatives shall furnish to each other all non-privileged information with respect to the issue that the parties believe to be appropriate and germane. The representatives should attempt to resolve the issue without the need for legal counsel. The use of a facilitator to accelerate the resolution process is encouraged.

12.7 e (4)

Surplus computers and related equipment may be donated to public schools in the Commonwealth and Virginia charitable organizations granted 501(c) (3) status and providing services to persons with disabilities, at-risk youths, or low-income families. Agencies are responsible for determining eligibility for donations of those eligible organizations not participating in the federal surplus program.

Chapter 14 is replaced in its entirety. See end of this document for complete Chapter 14.

Appendix A

Best Value Acquisition – A process used to acquire goods and nonprofessional services in which best value concepts will be applied. The best value award is based on evaluation criteria as stated in the solicitation with consideration of price of the goods and nonprofessional services that offer the greatest benefit(s) in meeting the needs of the public body.

Appendix B, Section I, B.:

APPLICABLE LAWS AND COURTS: This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

Appendix B, Section I, K.:

PRECEDENCE OF TERMS: The following General Terms and Conditions *VENDORS MANUAL*, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

Appendix B., Section I, T.:

- T. **INSURANCE**: By signing and submitting a bid or proposal under this solicitation, the bidder or offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The bidder or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.
2. Employer's Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

(Note to Agency/Institution: When the requirement is for parking facilities and garages for motor vehicle maintenance contracts, the forgoing sentence should be changed to read: These coverage should include Garage Owner's Liability. Contracts with movers or truck transporters should also require motor carrier's liability. When in the judgment of a procurement officer, these limits and coverage are not warranted for the goods and services being procured, the Division of Risk Management should be contacted.

4. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)

NOTE: In addition, various Professional Liability/Errors and Omissions coverage are required when soliciting those services as follows:

<u>Profession/Service</u>	<u>Limits</u>
Accounting	\$1,000,000 per occurrence, \$3,000,000 aggregate
Architecture	\$2,000,000 per occurrence, \$6,000,000 aggregate
Asbestos Design, Inspection or Abatement Contractors	\$1,000,000 per occurrence, \$3,000,000 aggregate
Health Care Practitioner (to include Dentists, Licensed Dental Hygienists, Optometrists, Registered or Licensed Practical Nurses, Pharmacists, Physicians, Podiatrists, Chiropractors, Physical Therapists, Physical Therapist Assistants, Clinical Psychologists, Clinical Social Workers, Professional Counselors, Hospitals, or Health Maintenance Organizations.)	\$1,750,000 per occurrence, \$3,000,000 aggregate
(Limits increase each July 1 through fiscal year 2008, as follows: July 1, 2005 - \$1,800,000, July 1, 2006 - \$1,850,000, July 1, 2007 - \$1,925,000, July 1, 2008 - \$2,000,000. This complies with §8.01-581.15 of the <i>Code of Virginia</i> .)	
Insurance/Risk Management	\$1,000,000 per occurrence, \$3,000,000 aggregate
Landscape/Architecture	\$1,000,000 per occurrence, \$1,000,000 aggregate
Legal	\$1,000,000 per occurrence, \$5,000,000 aggregate
Professional Engineer	\$2,000,000 per occurrence, \$6,000,000 aggregate
Surveying	\$1,000,000 per occurrence, \$1,000,000 aggregate

Appendix B., Section II

7.H. UNSEALED BEST VALUE AWARD(S): Selection shall be made of the offeror(s) deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in this solicitation, including price, if so stated. Negotiations shall be conducted with the offeror(s) so selected. Cost and price factors shall be considered in relation to the evaluation factors stated in the solicitation, but need not be the sole determining factor. The Commonwealth will make the award(s) on a best value basis to the Offeror(s) which, in its opinion, represents the most advantageous and best offer. The Commonwealth may cancel this solicitation or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia*, § 2.2-4359 D).

*** When Used: For goods and nonprofessional services in an Unsealed Best Value Acquisition solicitation, and a single award or multiple awards are desired to meet the requirements of the agency/institution. Note: A single award shall not exceed \$50,000 and if making multiple awards, the total sum of all awards shall not exceed \$50,000.**

7. I BEST VALUE AWARD(S): Selection shall be made of two or more offeror(s) deemed to be fully qualified and best suited among those submitting best value proposals on the basis of the evaluation factors included in this solicitation, including price, if so stated. Negotiations shall be conducted with the Offeror(s) whose proposal(s) represent the most advantageous and best offer. The Commonwealth will make an award on a best value basis to the Offeror(s) which, in its opinion, represents the best overall combination of quality, price, and various elements of required goods/services, as stated in this solicitation, that in total are optimal relative to the agency's needs. The Commonwealth may cancel this solicitation or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (*Code of Virginia*, § 2.2-4359 D). The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's offer as negotiated.

*** When Used: For goods and nonprofessional services when competitive negotiation will be used in a sealed Best Value Acquisition solicitation, and a single award or multiple awards are desired to meet the requirements of the agency/institution.**

APPENDIX C

**PROCUREMENT INFORMATION MEMORANDUM (PIM)
RECORD OF CHANGES**

PIM NUMBER	TOPIC	DATE FILED	INITIALS
98-001	26 topics, corrections and additional changes	7/1/99	
98-002	Electronic commerce	8/2/99	
98-003	Technology Access clause	1/13/00	
98-004	Prohibited Participation. Air/Rail Travel/SPCC	3/30/00	
98-005	Limitation of Liability clause #59	5/8/00	
98-006	Increased general delegation and small purchase limit to \$50,000	7/1/00	
98-007	Unsolicited Proposals	12/20/00	
98-008	Chapter 14 introduced. VDOT fuel, Faith-based term	7/1/01	
98-009	eVA General and Special Terms and Conditions	10/9/01	
98-010	Replaced Chapter 14, revised General Term X & Special Term #59	2/14/02	
98-011	Posting, Advertising VBO. Bonds changed to BCOM manual	7/1/02	
98-012	DIT/DTP Sole Source changes	7/23/02	
98-013	SWAM thresholds to 6 sources \$5K-\$15K, 8 sources \$15K-\$50K, and 9 sources over \$50K. SS approval by agency head. Technology, follow VITA Guidelines.	7/1/03	
98-014	Changed SS delegation to allow agency head or designee. Allows additional bids for same procurement. Describes exempt (R02) categories. Clarifies grant and medical services exemptions.	11/12/03	
98-015	Clarifies medical services exemptions and adds financing exemption.	11/21/03	
98-016	Introduces Best Value Acquisition, Alternative Dispute Resolution. Requires QQ for bids or quotes over \$5K-\$30K and processing all procurement transactions through eVA.	7/16/04	

CHAPTER 14

ELECTRONIC PROCUREMENT

In this Chapter look for . . .

- 14. General
- 14.1 Definitions
- 14.2 Internet Access
- 14.3 Agency Responsibility
- 14.4 e-Mall Shopping
- 14.5 Small Purchase Competitive Requirements
- 14.6 Change Orders
- 14.7 Documentation of Purchase Transactions
- 14.8 Approvals
- 14.9 Use of eVA and Exclusions
- 14.10 Vendor Registration Requirement
- 14.11 Orders To Vendors Not Registered In eVA and Related Fees
- 14.12 Self-Certification and Fees For Non-Compliant Purchase Transactions

Annexes

- 14-A Standard eVA Term and Condition
- 14-B Annotated Print Version of eVA Dashboard Agency Self-Certification and Reporting Form

14. **General.** This chapter establishes policies and provides guidance on electronic procurement in Virginia, hereinafter referred to as eVA. eVA encompasses vendor central registration and source selection, requisitioning, solicitation development, soliciting and receiving formal and informal bids and proposals, bid/proposal tabulation and evaluation, electronic ordering, public posting, electronic receiving, electronic invoicing, electronic data record keeping and various reporting capabilities. Additionally, eVA facilitates item searches through an Electronic Mall (e-Mall), in which Commonwealth entities can shop mandatory sources and mandatory use and optional use term contracts, surplus property and non-contract sources, all displayed as electronic catalogs. **Policies in this chapter shall be applicable only to transactions processed through eVA and shall take precedence in the event of conflict with other sections of this manual.** The *Virginia Public Procurement Act (VPPA)*, other applicable sections of the *Code of Virginia*, as well as other provisions of this manual and *Vendors Manual* will remain in full force and effect. All purchase transactions, regardless of funding source, governed by the *VPPA* shall be processed through eVA to eVA registered vendors except as otherwise provided herein (see 14.11) or excluded in 14.9 b. Any purchases processed outside eVA will continue to be governed by applicable law and by the non-eVA policies and procedures contained in this manual and *Vendors Manual* in effect at the time of the transaction.

14.1 **Definitions.** Refer to the *eVA Implementation Guide's* Glossary of Terms for definitions as they apply to eVA.

14.2 **Internet Access.** Authorized use of eVA requires access to the Internet with equipment possessing the minimum rating of 32 MB RAM (64 – 128 MB recommended) with a 100 – 250 MB hard drive needed for Internet browser. Refer to the *eVA Implementation Guide*, Section II, E, for additional technical requirements. The eVA portal located at www.eva.state.va.us is the gateway to facilitate a single sign-on to access all services available to the user when processing a purchase requirement, obtaining data analysis and reporting or to reach the help desk. A help desk is also available by calling DGS/DPS at 804-786-3842 or FAX 804-786-5712.

14.3 **Agency Responsibility.** Agencies and institutions should develop written internal policies, procedures and controls on the use of eVA. This should include re-delegation of purchasing authority, requisition approval process, how to incorporate terms and conditions, interface with finance and accounting, record keeping, encumbrance of funds, receiving (central and/or decentralized) and interface with internal automated systems. Additionally, guidelines

should be included for conducting compliance audits/reviews of purchase transactions made by or on behalf of agency employees. Although *BuysenseOrg* functionality will provide that each organization can use its own accounting structure, business rules and workflow, only minimal levels of approval should be included in the process so as to maximize the benefits of eVA. Descriptions on each of the eVA core functions are contained in the *eVA Implementation Guide*.

14.4 **e-Mall Shopping**. Any available mandatory source, mandatory use contract or optional use contract will appear in the response(s) received to an item search in the e-Mall. Unit prices shown in the electronic catalogs are inclusive of shipping charges; however, a minimum order requirement may apply, which can be determined by clicking on the item description to view further information. The extent to which agencies and institutions use eVA will be taken into consideration when evaluating requests for (and maintenance of) higher levels of delegated purchasing authority (see 1.2a). The below procedures shall apply to purchases made via the e-Mall:

- _____ a. **Mandatory Sources and Mandatory Use Contracts (see 2.1)**: Agencies and institutions shall place all orders through eVA on mandatory use contracts. Purchases may be made up to any dollar amount unless otherwise limited by the specific mandatory source or contract. Exception to the use of a mandatory source or contract must be approved in advance, in writing, by an official of the mandatory source, or the contract officer in the case of a DGS/DPS contract, utilizing the Procurement Exemption Request form located at Annex 13-D. Approved requests must be attached to the purchase transaction file either electronically or by hard copy.
- _____ b. **Optional Use Contracts and Pricing Agreements (see 2.2a)**: Purchases from optional use contracts may be made up to any dollar amount unless otherwise limited by the specific contract. Pricing Agreements allow for purchases from other sources; however, if it is to be made from another source and the total cost exceeds the single quote limit, the requirement must be competed.
- c. **Non-mandatory Sources (see 2.2b. & c.)**: Surplus property listed in the e-Mall is available for purchase up to any dollar amount. Sheltered workshops are not listed. Purchases from sheltered workshops are exempt from competitive procurement within the guidelines stipulated in 2.2c, but can only be accessed outside eVA.
- d. **Open Market Sources**: In addition to any available mandatory source, mandatory contract or optional use contract, other vendors may appear as choices during the e-Mall shopping for the specific requirement. When a mandatory source or contract is not available to satisfy the requirement or an exemption has been granted to bypass it, any open market vendor may be selected when the total value does not exceed the single quote limit. See paragraph 14.5 for small purchase competitive requirements.

_____ 14.5 **Small Purchase Competitive Requirements**. Small purchase solicitations are not required to be publicly advertised for 10 days, but the deadline set for a response should take into consideration the agency's needs and the time needed by potential bidders to review the requirement and to offer a quote. The award shall be made to the lowest responsive and responsible bidder.

- a. **Single Quotation (up to \$5,000)**: An e-Mall catalog (non-contract) price is acceptable as a quote when the value of the purchase is \$5,000 or less. The lowest priced item received as a result of an e-Mall catalog search need not be chosen, but such selection should be based on the product that best meets the need and the required delivery date and when the price is considered fair and reasonable. Documentation of the one quote selected is not required. Although an e-Mall catalog price response is acceptable, competition may be solicited via Quick Quote whenever the requirement is for multiple quantities and/or when it can be expected that a lower price and/or savings in shipping costs may be realized.
- _____ b. Deleted.
- _____ c. Deleted.
- _____ d. **e-Mall Search Responses (up to \$5,000)**: e-Mall catalog (non-contract) responses over \$5,000 shall not be accepted as valid quotes.
- _____ e. **Quick Quote (over \$5,000 to \$15,000)**: Solicitation of bids or quotes via Quick Quote is mandatory for non-contract requirements between \$5,000 and \$15,000. Solicit a minimum of six (6) valid sources; including four (4) SWAM businesses, if available. Quick Quote may also be used to solicit a quote(s) for requirements under \$5,000. Quick Quote solicitations should be open for a minimum of one (1) day to allow vendors to return pricing by the closing date and time. Vendors must be registered in eVA in order to respond electronically to Quick Quotes in eVA. Electronic Quick Quote responses and other methods for vendors to respond to Quick

Quotes may be used simultaneously. Provide the Standard eVA Term and Condition in Annex 14-A when providing Quick Quote information to an ad hoc vendor. The resulting order must be processed through eVA. Reference the Quick Quote number in the header cross-reference field of the eVA requisition. Quick Quote solicitations and award notices are not required to be posted on the eVA web site.

- f. **Quick Quote (over \$15,000 to \$30,000):** Solicitation of bids or quotes via Quick Quote is mandatory for non-contract requirements between \$15,000 and \$30,000. The same procedures and requirements as stipulated in above paragraph 14.5e shall apply when soliciting competition via Quick Quote for non-contract requirements between \$15,000 and \$30,000, except solicit a minimum of eight (8) valid sources, including six (6) SWAM businesses, if available.
- g. **Quick Quote (over \$30,000):** Quick Quote shall not be used to solicit competition for requirements over \$30,000; however, emergency purchase requirements meeting the criteria of paragraph 9.1 may be solicited via Quick Quote up to any dollar amount.
- h. **Small Purchase Charge Card (SPCC):** Where a SPCC has previously been entered into the eVA system it should be used to affect payment of all purchase transactions up to \$5,000 processed through vendors accepting the card. Every effort must be made to ensure that whenever a card is issued or cancelled, when a restriction imposed on a card is changed, etc., that the eVA system is updated as soon as practicable.

14.6 **Change Orders:** Any change to an eVA order shall be processed in accordance with 3.5 and 10.12. In addition, a change order must be issued whenever a supplier may request it to ensure the supplier's eVA transaction fee is accurate or as may be required by internal policy when the actual invoiced amount differs from the PO total. Internal procedures should clearly stipulate that any needed or noted change(s) must be communicated, as they occur, to the preparer of the original purchase request by the end user, accounts payable or receiver, as appropriate. A Change Order Users Guide is available in eVA to assist in the preparation of change orders.

14.7 **Documentation of Purchase Transactions.**

- a. **Electronic Files:** Electronic files created in eVA and any attached from other sources are acceptable as documentation to support the why, who, what, when, where and how of purchase transactions and receiving reports. Paper documents need not be printed and maintained. Reports are available in eVA to provide sufficient detail to support the basis and history of each purchase. Any transaction that cannot be fully documented electronically should contain a cross-reference (what and where) to any other documents, such as large drawings or other files maintained as a hard copy.
- b. **Price Reasonableness:** Purchasing officers shall ensure that the price offered is fair and reasonable. Refer to sections 4.10, 8.4, and 10.13.

14.8 **Approvals.** Prior approval of specific procurement transactions, as required within other chapters of this manual, remain in full force and effect. Requests for approvals may be submitted electronically, via FAX or by mail. The following are examples of prior approvals that may be required:

- a. Non-Technology Sole Source Requirements Exceeding \$50,000: Refer to 8.2.
- b. Operational Emergencies Exceeding Delegated Purchasing Authority: Refer to 9.1b.
- c. IT Equipment, Software and/or Computer Related Services Exceeding \$100,000: Refer VITA Guidelines.
- d. Telecommunications Equipment and/or Services: Refer to VITA Guidelines.
- e. Facilities, Equipment and Services Requiring Federal Communications Commission (FCC) Licensing: Refer to VITA Guidelines.
- f. Virginia Correctional Enterprises (VCE) and CORPRINT: Refer to 2.1b.
- g. Virginia Department for the Blind and Vision Impaired (DBVI): Refer to 2.1c.
- h. Virginia Distribution Center (VDC): Refer to 2.1e.
- i. DGS/DPS Office of Graphic Communications (OGC): Refer to 2.1f.

14.9 **Use of eVA and Exclusions:**

- a. **Use of eVA.** All purchase transactions, regardless of funding source, governed by the *VPPA* shall be processed through eVA to eVA registered vendors except as otherwise provided herein (see 14.11) or excluded in 14.9 b. This includes orders imported to eVA from ERPs (enterprise resource planning systems).

Any ERP order provided to vendors, in lieu of or in advance of a corresponding eVA order, shall include the standard eVA order term and condition. See Annex 14-A.

- b. **Exclusions.** Exclusions, regardless of dollar value, include the procurement types listed below. At the option of the agency or institution, purchases of the following types of goods and services may be processed through eVA, but the agency or institution placing the order will be required to pay the 1% transaction fee, capped at \$500 per order. Agencies and institutions shall use the R02, S02, P02, E02, VR2, VS2, VP2, or VE2 eVA Purchase Order Category, as appropriate, to identify such purchases when processed through eVA. Purchase Order categories are defined on the Add Title screen in the PO Category field on the eVA requisition.

1. Real estate leases
2. Advertisements such as in newspapers, magazines, journals, radio, television, etc.
3. Professional organizational membership dues and training classes sponsored by the professional organization when payment is made directly to the professional organization sponsoring the training class.
4. Conference registrations
5. Petty cash purchases
6. Honoraria
7. Entertainment (speakers, lecturers, musicians, performing artists)
8. Accreditation fees and academic testing services
9. Exhibition rental fees for exhibitions of historical artifacts or original works of art. (The rental fee may include charges other than the rental of the exhibition, such as transportation costs.)
10. Goods or personal services for direct use by the recipients of programs specified in the *Code of Virginia*, § 2.2-4345, if the procurement is made for an individual recipient. Contracts and/or spot purchases for the bulk procurement of goods or services for the use of recipients shall not be exempted.
11. Award of grants by agencies and institutions to public bodies or tax exempt non-profit charitable organizations. This exception does not apply to the expenditure of grant funds by agencies and institutions for the purchase of goods and/or services (see *APSPM* 13.8e).
12. Medical (Health Care) Services when the service is provided by a hospital or an individual licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition. Contracts and purchase orders between the agency or institution and temporary service providers or independent laboratory testing companies are not exempt from purchasing through eVA.
13. Public Utilities (electric, natural gas, water, sewer)
14. Purchases made via closed-loop systems or automated inventory control systems for items for resale, e.g., ABC, drugs (only POS drugs)
15. Purchases made using the DPS-authorized multi-state drug contract
16. Purchases made using DPS Contract #91026, Express Delivery Services

17. Over the counter charge card purchases that are made at the site of the sale and picked up by the individual card holder (i.e., SPCC, Voyager).
18. Revenue contracts, e.g., scrap, recycling or contracts with \$0 payment made by the Commonwealth, e.g., contracted out Bookstore, Food service operations.
19. Government-to-government purchases, other than purchases from mandatory sources
20. Purchases from public auctions (non-electronic)
21. Surplus property
22. Contracts with commercial fisherman for replenishment, research and stock assessment activities
23. Individual travel and lodging
24. Financing when goods/services procured from one source are being financed by another (i.e., third party) source. The financing exclusion does not apply to lease purchases.
25. Business and/or financial transactions to which public procurement regulations do not apply. Examples include debt service payments, Medicare and Medicaid payments, and child support payments.

- c. **eVA Business-to-Government Vendor Registration.** The eVA Business-to-Government Vendor Registration clause, General Term and Condition X and the Price Escalation/De-escalation clause, Special Term and Condition 43, in Appendix B, shall be used in all term contracts. Spot purchases shall include General Term and Condition X (Appendix B, Section I). Existing multi-year term contracts without General Term and Condition X or with an older version of General Term and Condition X shall be renewed modifying the existing multi-year contracts to include General Term and Condition X and the Escalation/De-Escalation Special Term & Condition, #43 (Appendix B, Section II).

14.10 **Vendor Registration Requirement**

- a. **Registration.** All vendors who accept purchase orders from Commonwealth agencies and institutions must register in eVA. All solicitations are subject to the General Terms and Conditions, which include General Term X. (eVA Business-to-Government Vendor Registration) requiring vendors to register to do business with the Commonwealth.
- b. **Trading Partner Agreement (TPA) and Electronic Catalogs.** A TPA is required for all vendors who set up an eVA e-Mall catalog, with products, services, and pricing. In some cases, the contract does not lend itself to the development of a catalog and price list. In this case, the contractor must provide an index page describing the vendor's products, services, and vendor contact information. Contractors should send Catalog or Index Page information to www.eva-catalog-manager@dgs.state.va.us.

14.11 **Orders To Vendors Not Registered In eVA and Related Fees.** There may be times when an agency or institution is compelled to do business with vendors that refuse to register in eVA (ad hoc vendors) and the specific purchase transaction is not included in the exemption list set forth in *APSPM* Section 14.9.b. In such cases, the agency or institution is required to process the order through eVA in accordance with one of the following processing options:

- a. **Vendors Accepting eVA Terms and Conditions.** If the vendor agrees to accept the eVA terms and conditions regarding vendor payment of the eVA transaction fee, the agency or institution shall document the vendor's agreement in an eVA purchase order comment and process the order using the R01, S01, P01, E01, VR1, VS1, VP1 or VE1 Purchase Order Category, as appropriate.
- b. **Vendors Refusing to Accept eVA Terms and Conditions.** If the vendor refuses to accept the eVA terms and conditions regarding vendor payment of the eVA transaction fee, the agency or institution shall document the vendor's refusal in an eVA purchase order comment and process the order using the R02, S02, P02, E02, VR2, VS2, VP2 or VE2 Purchase Order Category, as appropriate. In such cases the agency or institution will be required to pay the eVA transaction fee.

14.12 **Self-Certification and Fees For Non-Compliant Purchase Transactions.** Monthly each agency and institution shall submit a self-certification that the agency has or has not complied with all requirements set forth herein. The

self-certification shall be completed via a password protected electronic dashboard that will be made available on the eVA website. The self-certification shall be electronically signed by the agency or institution purchasing director and chief financial officer or authorized designee(s). Annex 14-B is an annotated print version of the self certification.

If the agency or institution certifies that it has not complied with the requirements set forth herein, the following shall also be submitted to the DPS eVA Business Manager, 805 East Broad Street, (P.O. Box 1199), Richmond, VA 23218-1199.

- a. a detailed explanation for why the agency or institution failed to comply with the requirements;
- b. a corrective action plan for achieving timely compliance;
- c. an itemized list of all non-compliant purchase transactions (including purchase order number, date, vendor, amount, commodity code, CARS subobject code, and method of procurement); and
- d. a check payable to the Treasurer of Virginia or an IAT directed to the Department of General Services in the amount of 1% of the total amount of all non-compliant purchase transactions.

Self-certifications and any required additional documentation/payment shall be submitted no later than the 15th day following the end of the monthly reporting period (e.g., August 15th, September 15th, October 15th, etc.).

Failure to submit the required monthly self-certification and associated documentation will result in the automatic assessment of a 1% fee based on the agency's or institution's total CARS expenditure less eVA spend for the reporting period.

Annex 14-A**Standard eVA Term and Condition**

By accepting and performing this Commonwealth of Virginia order, the vendor agrees that the order is subject to the General Terms and Conditions of the ordering public body and any revisions thereto, any applicable Terms and Conditions set forth in the solicitation and/or contract, and any Terms and Conditions added or otherwise incorporated by reference. In addition, the vendor agrees, by accepting and performing this order, that it is subject to an eVA transaction fee of 1% capped at \$500, which will be invoiced to your company by American Management Systems, Inc. By accepting and performing this order, the vendor further agrees that the price(s) include shipping FOB destination unless otherwise stated herein. General Terms and Conditions may be accessed by contacting the ordering public body. Additional information is available at www.eva.state.va.us. NOTE: This public body does not discriminate against faith-based organizations.

Annex 14-B

eVA Business Plan Effective July 1, 2004 - Attachment C

FY 05 eVA Usage Report

Annotated Print Version Of eVA Dashboard Agency Self-Certification And Reporting Form

FY 05	All Purchase Transactions (Note 1)		eVA Purchase Transactions (Note 2)				Local (Non-eVA)Purchase Transactions (Notes 3 and 4)		
	Total eVA and Non-eVA Purchase Transactions		eVA Registered Vendors		Unregistered Vendors		Not Excluded Per APSPM 14.9.b		Agency eVA Fee
	#	Total \$'s	#	Total \$'s	#	Total \$'s	#	Total \$'s	
July 2004	The cells in this column will be automatically calculated by the eVA Self-Certification and Reporting Dashboard.	The cells in this column will be automatically calculated by the eVA Self-Certification and Reporting Dashboard.	The cells in this column will be automatically populated using eVA data.	The cells in this column will be automatically populated using eVA data.	The cells in this column will be automatically populated using eVA data.	The cells in this column will be automatically populated using eVA data.	The agency/institution will enter data in the cells in this column.	The agency/institution will enter data in the cells in this column.	The cells in this column will be automatically calculated by the eVA Self-Certification and Reporting Dashboard.
Aug 2004									
Sept 2004									
Oct 2004									
Nov 2004									
Dec 2004									
Jan 2005									
Feb 2005									
March 2005									
April 2005									
May 2005									
June 2005									

Note 1: **“All Purchase Transactions”** includes any purchase transaction governed by the Virginia Public Procurement Act, regardless of the source of funds. These columns will be calculated by the Dashboard.

Note 2: **“eVA Purchase Transactions”** are orders executed by delivery of an eVA purchase order to the vendor. Not all orders imported from agency ERP's to eVA meet this requirement (e.g., ERP import orders for unregistered vendors"). These columns will be populated by the Dashboard using eVA data.

Note 3: **“Local (Non-eVA) Purchase Transactions”** are orders executed by any means other than delivery of an eVA purchase order to the vendor, not including transactions exempted by APSPM 14.9.b. These columns will be completed by the agency/institution.

Note 4: **“Agency eVA Fee”** is 1% of the total dollar value of **“Local (Non-eVA) Purchase Transactions Not Excluded Per APSPM 14.9.b”**. This fee must be paid monthly by the agency to the Department of General Services. This column will be calculated by the Dashboard.

By signing this form in the space provided below, I certify that the information provided above is accurate and complete and that the named agency/institution [] has [] has not complied with all requirements of the FY05 eVA Business Plan.

Agency or Institution: _____

Purchasing Director:

Chief Financial Officer:

(Name, Printed or Typed)

(Name, Printed or Typed)

(Date)

(Date)